

## Serving Regional and Rural Australia - Travel Costs

### The NDIS challenge

- People with disability in rural and remote areas often face significant disadvantage in accessing a range of supports services, especially specialist services.
- While many participants travel to access supports, service providers face a series of challenges in providing supports in remote locations.
- Funding to cover the cost travel often does not cover costs borne by service providers to assist people with disability in regional and remote Australia
- Alliance20 members believe that services for around 10-20% of participants are inadequately funded for travel under the current arrangements.
- While the NDIA has detailed information and specific travel provisions in its Price Guide, a number of issues arise from these provisions:
  - The rates cover the majority of clients living in Metro, Regional and Remote locations but do not adequately cover all travel scenarios. The differing scenarios are often identifiable at the assessment stage if the assessor has sufficient understanding of service coverage in the local area.
  - Remote and Very Remote price loadings (20% and 25%) are set to deal with the extra costs of providing services in those areas. Increasing prices at a flat rate does not cover significant distances.
  - All travel payments are counted as time worked by staff. The biggest cost however of serving a Regional, Remote or Very Remote area is the kilometre reimbursement which providers are obliged to pay to staff under Award provisions.
  - Remote and Very Remote areas are defined by the Modified Monash Model (MMM). The new Price Guide rate (2018/19) Regional '45 minute rule' covers MMM 4-5 areas, which provides some parity to concepts utilised by the Aged Care Home Care Package remote area subsidies.
  - For providers, travel scenarios are directly linked to the location of field staff and the changing patterns that affect the workforce. A viable travel service at a particular point in time can become unviable if staff leave the agency, especially in Regional or Remote areas.
- Providers of specialist services are not located in all rural locations. Some providers offer limited services in regional locations, with a fly in fly out model to remote and very remote locations. These 'thin' markets make it difficult to establish a sustainable services for specialist services, which is exacerbated by challenges to recruit and support a workforce in these areas.

## Impacts of this NDIS challenge

- Services for some clients in areas identified as “Regional”, “Remote” and “Very Remote” zones, will not be viable due to travel costs.
- Participants are required to cover significant costs of travel by providers to go to remote locations – these costs compromise the level of direct clinical work that is funded by the plan. The distances travel can exceed the 45 minutes that can be claimed for MMM4 or MMM5 areas (e.g. a 6 hour round trip from Dubbo to Cobar).
- Providers rostering to cover clients in Regional, Remote and Very Remote zones and minimise cost of travel limits participant choice and service, for example, being denied preferred service times because the providers are unable to claim for the first or last ‘job’ of the day.
- Providers work to ‘cluster’ clients to minimise costs for travel to participants in a geographical location. However, to optimise provider capacity and availability to the area, there can be additional costs associated that are not covered by the participant plan e.g. flights, car hire or accommodation.

## Alliance20’s Proposed Solutions

- The NDIA should consider a formal, readily engaged and speedy process to deal with travel viability cases. This is especially important for clients in areas with few participants and/or service providers, or ‘thin markets’.
- Using a 60km per hour assumption any participant living more than 20km (where the 20 minute rule applies) and 45km (where the 45 min rule applies) from the nearest centre in those defined areas should be identified in the planning stage and tagged as a potential travel ‘viability cases’ to facilitate speedier access to a review process.
- The travel rule in Remote and Very Remote areas should be based on the 45 minute rule as well as the loadings. This would reduce the number of cases requiring travel viability reviews.
- Alliance20 members are able to provide detailed examples to demonstrate these issues in detail and work with the NDIA and other stakeholders on this issue.